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Star Merit Global Limited

星優環球有限公司

(Incorporated in British Virgin Islands with limited liability)

Geotech Holdings Ltd.

致浩達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1707)

JOINT ANNOUNCEMENT

(1) CONDITIONAL AGREEMENT IN RELATION TO THE SALE AND PURCHASE OF THE SHARES IN THE COMPANY;

(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY RAFFAELLO SECURITIES (HK) LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES IN THE ISSUED SHARE CAPITAL OF GEOTECH HOLDINGS LTD

(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR PARTIES ACTING IN CONCERT WITH IT);

AND

(3) RESUMPTION OF TRADING

Joint financial advisers to the Offeror



Financial adviser to the Company



Independent financial adviser to the Independent Board Committee and the Independent Shareholders



THE SHARE PURCHASE AGREEMENT

The Board was notified by the Vendors that on 22 November 2018 (after trading hours), the Vendors, the Guarantor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendors conditionally agreed to sell and the Offeror conditionally agreed to purchase 737,000,000 Shares, representing approximately 52.64% of the total issued share capital of the Company as at the date of this joint announcement, for a total cash consideration of HK\$278,586,000 (being HK\$0.378 per Share).

Subject to the conditions precedent under the Share Purchase Agreement being satisfied or waived, Completion is expected to take place on Completion Date (or such other date as may be agreed among the parties to the Share Purchase Agreement).

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, none of the Offeror and parties acting in concert with it owns, controls or has direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offeror and parties acting in concert with it will own in aggregate 737,000,000 Shares, representing approximately 52.64% of the total issued share capital of the Company. The Offeror will therefore upon Completion be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

Subject to Completion, RaffAello Securities will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For each Offer Share. HK\$0.378 in cash

As at the date of this joint announcement, there are 1,400,000,000 Shares in issue and the Company does not have any outstanding options, warrants or derivatives or securities convertible into Shares.

Principal terms of the Offer are set out in the section headed "Possible Mandatory Unconditional Cash Offer" below. The Offeror intends to finance the Acquisition and the Offer by its internal resources. CISIC and RaffAello Capital, the joint financial advisers to the Offeror in respect of the Acquisition and the Offer, are satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration for the Sale Shares under the Share Purchase Agreement and to satisfy full acceptance of the Offer.

Assuming that there is no change in the issued share capital of the Company and based on the offer price of HK\$0.378 per Share, the total issued share capital of the Company is valued at HK\$529,200,000. The Offer will be made to the Offer Shareholders. As the Offeror and parties acting in concert with it will hold in aggregate 737,000,000 Shares immediately after Completion, 663,000,000 Shares will be subject to the Offer. Based on the offer price of HK\$0.378 per Share, the consideration of the Offer would be HK\$250,614,000. The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, the terms of the Offer, together with the acceptance and transfer form, should normally be posted to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) will be made when the Composite Document is despatched.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders in respect of the Offer as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. The Independent Financial Adviser to the Independent Board Committee has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 23 November 2018 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 29 November 2018.

WARNING

Shareholders and potential investors should note that the Offer are possible mandatory unconditional cash offer and will only be made if Completion takes place. As Completion may or may not take place, the Offer may or may not proceed. The Independent Board Committee has yet to consider and evaluate the Offer. This joint announcement is made in compliance with the Takeovers Code for the purpose of, amongst other things, informing Shareholders of the fact that the Company has been informed that the Offer will be made. The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

Reference is made to the announcement of the Company dated 7 November 2018 in relation to the MOU entered into between the Offeror and the Vendors, in connection with the proposed Acquisition.

The Board was notified by the Vendors that on 22 November 2018 (after trading hours), the Vendors, the Guarantor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendors conditionally agreed to sell and the Offeror conditionally agreed to purchase 737,000,000 Shares, representing approximately 52.64% of the total issued share capital of the Company as at the date of this joint announcement, for a total cash consideration of HK\$278,586,000 (being HK\$0.378 per Sale Share). Details of the Share Purchase Agreement are set out in the section headed “The Share Purchase Agreement” below in this joint announcement.

THE SHARE PURCHASE AGREEMENT

Date:

22 November 2018 (after trading hours)

Parties:

(i) Vendors: Flourish Team Limited and Double Wink Limited;

(ii) Offeror: Star Merit Global Limited; and

(iii) Guarantor: Mr. Yau Kin Wing Sino

The Offeror and its ultimate beneficial owner are third parties independent of, and not connected with, either the Company or any of its connected persons.

The Sale Shares

The Sale Shares comprise a total of 737,000,000 Shares, representing approximately 52.64% of the total issued share capital of the Company as at the date of this joint announcement. Pursuant to the terms of the Share Purchase Agreement, the Sale Shares will be acquired by the Offeror free from all Encumbrances and together with all rights and benefits attached and accrued to them at the Completion Date.

Consideration for the Sale Shares

The Consideration for the sale and purchase of the Sale Shares under Share Purchase Agreement shall be the aggregate sum of HK\$278,586,000, being HK\$0.378 per Sale Share, which was agreed between the Offeror and the Vendors after arm’s length negotiations, taking into account the Share price on the Last Trading Day and the 52-week trading range of the Company on the Stock Exchange.

The Offeror will settle the Consideration in cash in Hong Kong dollars at the Completion in one lump sum. The Consideration will be financed by the Offeror with its internal resources.

Other than the Consideration for the sale and purchase of the Sale Shares under Share Purchase Agreement, there is no other consideration, compensation or benefits in whatever form provided by the Offeror and its concert parties to the Vendors or their respective concert parties.

Conditions of the Share Purchase Agreement

Completion is conditional upon the satisfaction (or waiver by the Offeror, where applicable) of the following conditions on or prior to the Long Stop Date:

- (a) the Shares remaining listed and traded on the Stock Exchange at all times from the date of the Share Purchase Agreement up to and including the Completion Date, except for (i) the suspension of trading of the Shares solely in connection with the clearance by the Stock Exchange and the SFC of this joint announcement, and (ii) any temporary suspension not exceeding two (2) consecutive trading days;
- (b) the Stock Exchange not having notified or indicated to or directed the Company that the current listing of the Shares on the Stock Exchange may or will be halted, suspended, withdrawn or cancelled, and the SFC not having notified or indicated to the Company that it may object to such continued listing;
- (c) there being no material adverse change or effect with respect of the Company and its prospect from 31 December 2017 up to and including the Completion Date having occurred or being likely to occur;
- (d) all consents and clearance by authorities, on the part of the Vendors, that are necessary or appropriate for or in connection with the transactions contemplated under the Share Purchase Agreement having been procured and obtained, which includes but not limited to, the respective board of directors approval of the respective Vendors, the authorities and/or any third parties such as the banks, financial institutions, creditors, suppliers and/or customers; The Directors confirm that, save for (i) the board of directors approval of the respective Vendors; and (ii) the clearance(s) from regulatory authorities pursuant to the Listing Rules and the Takeovers Code in connection with the publication of this joint announcement, no other consent or approval is considered to be necessary, on the part of the Vendors, for or in connection with the transactions contemplated under the Share Purchase Agreement;
- (e) each of the Vendors having complied with all its obligations under the Share Purchase Agreement as at the Completion Date;
- (f) each of the warranties provided by the Vendors being true and accurate and not misleading in all material respects and the fundamental warranties such as share title remaining true and accurate and not misleading in all respect;

- (g) no notice, order, judgement, action or proceedings of any authority having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Share Purchase Agreement;
- (h) the Company not being subject to any ongoing liquidation or similar proceedings that have not been revoked or withdrawn in Hong Kong or other jurisdictions;
- (i) the Company not having been informed about itself becoming the subject of any investigation, enquiry, notice of actual or possible non-compliance or violation, or any kind of written communications, relating to the compliance with the applicable law, any other rules and regulations (including, without limitation, the SFO, the Securities and Futures (Stock Market Listing) Rules (Cap. 571V), the Listing Rules), conducted or issued by the SFC, the Stock Exchange or any other authorities, nor there being any information, facts or circumstances which give rise or are likely to give rise to any such investigation, inquiry, notice of actual or possible non-compliance or violation or written communications;
- (j) the Stock Exchange and the SFC having no further comment on this joint announcement to be released in connection with the transactions contemplated under the Share Purchase Agreement and the publication of this joint announcement on the Stock Exchange's website;
- (k) the Offeror shall have received a legal opinion in the form and substance reasonably satisfactory to the Offeror in relation to the power, authority for Vendor 1 for consummating the transactions contemplated under the Share Purchase Agreement;
- (l) the completion of the due diligence review and investigation on the Group conducted by the Offeror to its reasonable satisfaction; and
- (m) the following bank facilities of the Group have been cancelled and relevant documents in support of the cancellation (in the form and substance reasonable satisfactory to the Offeror) having been provided to the Offeror:
 - (aa) a bank facility (facility letter ref no.: CARM 180103) granted by HSBC to Geotech Engineering Limited on 19 March 2018;
 - (bb) a bank facility (facility letter ref no.: KWM-1/MK/CRA) granted by ICBC to Geotech Engineering Limited on 22 November 2017;
 - (cc) a bank facility (facility letter ref no.: L/CCA/210/17/101096-00/F/8849140) granted by Bank of China to Geotech Engineering Limited on 14 March 2018;
 - (dd) a bank facility (facility letter ref no.: CARM 180103) granted by HSBC to GeoResources Limited on 19 March 2018; and
 - (ee) a bank facility (facility letter ref no.: LPC58/376/1800092) granted by Shanghai Commercial Bank to GeoResources Limited on 24 January 2018.

Save as the conditions set out in paragraph (a) and (d), the Offeror may at any time waive in whole or in part and conditionally or unconditionally any of the conditions by notice in writing to the Vendors. The Vendors have no right to waive any of the conditions. If the conditions are not satisfied or waived on or before the Long Stop Date, or as at the Completion Date, the Share Purchase Agreement shall automatically terminate without liability to any parties in the Share Purchase Agreement, provided however that (a) the surviving provisions shall continue in full force following the termination of the Share Purchase Agreement; and (b) the termination of the Share Purchase Agreement shall be without prejudice to the rights of any party hereunder against the other party(ies) for any breach of the Share Purchase Agreement accrued prior to such termination. At the date of this joint announcement, save as condition set out in paragraph (j), none of the other conditions above is fulfilled.

Having considered (i) there is no outstanding bank loan; and (ii) the Group was in a net current position with cash and bank balances of approximately HK\$107.8 million as at 30 June 2018 as per the interim report 2018 of the Group, the Directors confirm that the cancellation of the Group's bank facilities will not have any material adverse impact on its normal operations.

Guarantee

Pursuant to the Share Purchase Agreement, Mr. Yau Kin Wing Sino as the guarantor irrevocably and unconditionally:

- (a) guarantees to the Offeror the due and punctual performance and observance by each of the Vendors of all their respective obligations, commitments, undertakings, warranties, indemnities and covenants under or pursuant to the Share Purchase Agreement; and
- (b) agrees to indemnify the Offeror against all losses, damages, costs and expenses (including legal costs and expenses) which the Offeror may suffer through or arising from any breach by any of the Vendors of such obligations, commitments, warranties, undertakings, indemnities or covenants.

The liability of the Guarantor as aforesaid shall not be released or diminished by any arrangements or alterations of terms (whether of the Share Purchase Agreement or otherwise) or any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.

Completion of the Share Purchase Agreement

Subject to fulfillment or, where applicable, waiver of, among others, all the conditions set out in the section headed "Conditions of the Share Purchase Agreement" above, Completion shall take place on the Completion Date.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

The Offer

Prior to the Completion, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offeror and parties acting in concert with it will hold in aggregate 737,000,000 Shares, representing approximately 52.64% of the total issued share capital of the Company. The Offeror will therefore upon Completion be required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares not already owned and/or agreed to be acquired by it and/or parties acting in concert with it. Subject to Completion, RaffAello Securities will make the Offer on behalf of the Offeror on the following basis:

For each Offer Share. HK\$0.378 in cash

As at the date of this joint announcement, there are 1,400,000,000 Shares in issue and the Company does not have any outstanding options, warrants or securities derivatives or convertible into Shares.

Assuming that there is no change in the issued share capital of the Company and based on the offer price of HK\$0.378 per Share, the total issued share capital of the Company is valued at HK\$529,200,000. The Offer will be made to the Offer Shareholders. As the Offeror and parties acting in concert with it will hold in aggregate 737,000,000 Shares immediately after Completion, 663,000,000 Shares will be subject to the Offer. Based on the offer price of HK\$0.378 per Share, the consideration of the Offer would be HK\$250,614,000. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made.

The Offer will be unconditional in all aspects when they are made.

Offer Price

The offer price of the Offer of HK\$0.378 per Offer Share represents:

- a discount of approximately 13.10% on the closing price of HK\$0.435 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 18.71% on the average closing price of approximately HK\$0.465 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 31.09% on the average closing price of approximately HK\$0.549 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;

- a discount of approximately 27.45% on the average closing price of approximately HK\$0.521 per Share as quoted on the Stock Exchange for the 30 consecutive trading days prior to and including the Last Trading Day; and
- a discount of approximately 177.94% over the Group's unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2018 of HK\$189,801,000 (based on a total of 1,400,000,000 Shares as at the date of this joint announcement and the Group's unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$0.136 as at 30 June 2018).

During the six-month period immediately preceding and including the Last Trading Day: (a) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.70 per Share on 5 November 2018; and (b) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.325 per Share on 4 July 2018 and 12 July 2018, respectively.

Confirmation of financial resources

The maximum amount of cash payable by the Offeror in respect of acceptances of the Offer is approximately HK\$250,614,000, assuming there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer. The Offeror intends to finance the consideration payable by the Offeror in respect of the Sale Shares under the Share Purchase Agreement and the Offer by its internal resources.

CISIC and RaffAello Capital, as the joint financial advisers to the Offeror in respect of the Acquisition and the Offer are satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration for the Sale Shares under the Share Purchase Agreement and to satisfy full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Offer Shareholders shall sell their Shares free from all Encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made.

Acceptance of the Offer by any Offer Shareholders will be deemed to constitute a warranty by such person that all the Shares sold by such person under the Offer sell are free from all Encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible within seven Business Days of the date of receipt of a duly completed acceptance. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

Hong Kong stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares.

Overseas Shareholders

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

If the receipt of the Composite Document by the Overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. There are no Overseas Shareholders as at the date of this joint announcement.

Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

Taxation advice

The Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, the Guarantor and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

DEALING AND INTERESTS IN SECURITIES OF THE COMPANY

The Offeror confirms that, save as disclosed in this joint announcement, as at the date of this joint announcement:

- (a) save for the Sale Shares, none of the Offeror nor any person acting in concert with it owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) none of the Offeror nor any person acting in concert with it had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the 6 months prior to 7 November 2018, date of the announcement of the Company in relation to the MOU entered into between the Offeror and the Vendors, in connection with the proposed Acquisition;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (d) save for the Share Purchase Agreement, there is no agreement or arrangement to which the Offeror or any person acting in concert with it, is a party which relates to circumstances in which the Offeror may or may not seek to invoke a pre-condition or a condition to the Offer;
- (e) none of the Offeror nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) none of the Offeror nor any person acting in concert with it has received any irrevocable commitment to accept the Offer; and
- (g) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, nor any person acting in concert with it.

There is no special deal (as defined under Rule 25 of the Takeovers Code) between each of the Vendors and parties acting in concert with any of them on one hand, and the Offeror and parties acting concert with it on the other hand.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued shares have been listed on main board of the Stock Exchange since 12 October 2017. The Group is a slope works contractor in Hong Kong with over 20 years of experience in civil engineering industry, which principally undertakes slope works as main contractor and also undertake ground investigation field works as subcontractor.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement, the authorized share capital of the Company was HK\$40,000,000 divided into 4,000,000,000 ordinary shares, and there are 1,400,000,000 Shares in issue. The Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

The shareholding structure of the Company immediately before and after the Completion:

	As at the date of this joint announcement		Immediately after the Completion and before the Offer	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Offeror and its concert parties	–	–	737,000,000	52.64
Vendors and their respective concert parties	737,000,000	52.64	–	–
Offer Shareholders (note 1)	<u>663,000,000</u>	<u>47.36</u>	<u>663,000,000</u>	<u>47.36</u>
	<u><u>1,400,000,000</u></u>	<u><u>100.00</u></u>	<u><u>1,400,000,000</u></u>	<u><u>100.00</u></u>

Note:

1. As at 22 November 2018, which is the date of the Share Purchase Agreement, 205,864,000 Shares, representing 14.7% of the issued share capital of the Company, held by members of the CISIC group were acquired pursuant to non-discretionary trades conducted for and on behalf of clients of the relevant members of the CISIC group. As such, none of the Shares are proprietary interests of members of the CISIC group and all such Shares will form part of the Offer and public float accordingly.

FINANCIAL INFORMATION ON THE GROUP

Set out below is a summary of the audited consolidated financial results of the Group for the financial years ended 31 December 2016 and 31 December 2017 and the unaudited consolidated financial results of the Group for the six months ended 30 June 2018, prepared in accordance with the relevant accounting principles and financial regulations applicable to the Hong Kong Financial Report Standards:

	For the financial year ended		For the six
	31 December 2016	31 December 2017	months ended
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	30 June 2018
			<i>(HK\$'000)</i>
Revenue	344,766	275,813	113,073
Profits before tax	26,505	14,337	4,215
Profit for the year/period	20,404	9,517	3,354
Net assets	111,455	186,485	189,801

INFORMATION ON THE OFFEROR

Star Merit Global Limited is a company incorporated in BVI and is principally engaged in investment holding. As at the date of this joint announcement, save for entering into the MOU and the Share Purchase Agreement, the Offeror did not engage in any other business activities.

As at the date of this joint announcement, Mr. Chen Zhi (“Mr. Chen”), aged 30, is the sole ultimate beneficial shareholder and the sole director of the Offeror. Mr. Chen is Cambodian, holds a Degree of Bachelor of Business Administration from National University of Management, Kingdom of Cambodia. Currently, he is a director and controlling shareholder of a group of companies principally engaged in property development in Cambodia. Mr. Chen has over seven years of experience in the areas of property agency and development. In addition, Mr. Chen also has extensive experience in internet industry in Cambodia and Singapore, and is the director of several internet industry related companies in Cambodia and Singapore.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Upon Completion, Mr. Chen will become the controlling shareholder of the Company expected to be interested in approximately 52.64% of the issued share capital of the Company.

The Offeror intends to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at such time permitted under the Listing Rules and the Takeovers Code). The Offeror also intends to continue the existing principal business of the Group immediately following Completion. However, the Offeror also intends to review the operation and business activities of the Group to formulate a long-term business strategy for the Group. Subject to the results of such review, the Offeror may explore other business and/or seek to expand the geographical coverage of the principal business of the Group in addition to the market of Hong Kong.

Save for the Offeror's intention regarding the Group as set out above, (i) the Offeror has no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (ii) as at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group.

The Offeror intends to nominate new directors to the Board with effect from the earliest time permitted under the Takeovers Code. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the Listing Rules and further announcement(s) will be made as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. Each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror intends to maintain the listing of the Shares on the Stock Exchange.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising all the independent non-executive Directors, has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

The Independent Financial Adviser to the Independent Board Committee has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree's board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the terms of the Offer and as to the acceptance of the Offer; and (iv) the relevant form(s) of acceptance and transfer, will be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) will be made when the Composite Document is despatched.

The Offer Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Offer Shareholders in respect the terms of the Offer and as to the acceptance of the Offer.

WARNING

Shareholders and potential investors should note that the Offer are possible mandatory unconditional cash offer and will only be made if Completion takes place. As Completion may or may not take place, the Offer may or may not proceed. The Independent Board Committee has yet to consider and evaluate the Offer. This joint announcement is made in compliance with the Takeovers Code for the purpose of, amongst other things, informing Shareholders of the fact that the Company has been informed that the Offer will be made. The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

TRADING SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 23 November 2018 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 29 November 2018.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the purchase of the Sale Shares by the Offeror from the Vendors in accordance with the terms and conditions of the Share Purchase Agreement
“acting in concert” or “concert parties”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CISIC”	China Investment Securities International Capital Limited, a licensed corporation to carry on type 6 (advising on corporate finance) regulated activities under the SFO, one of the joint financial advisers to the Offeror
“Company”	Geotech Holdings Ltd., an exempted company incorporated in the Cayman Islands with limited liability whose ordinary shares are listed on the main board of the Stock Exchange (stock code: 1707)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement
“Completion Date”	the third business day immediately after the date on which the last of the conditions to Completion pursuant to the Share Purchase Agreement is fulfilled or waived (or such other date as shall be agreed among the parties to the Share Purchase Agreement)
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the forms of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser of the Company

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	The amount of HK\$278,586,000, being consideration payable by the Offeror to the Vendors for the acquisition of the Sale Shares
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Encumbrances”	any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company together with its subsidiaries
“Guarantor”	Mr. Yau Kin Wing Sino, the executive Director, the chairman of the Board, and one of the shareholders of Vendor 1
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board, comprising Mr. Fung Chi Kin, Mr. Cheung Wai Lun Jacky, Mr. Chow Chun To and Mr. Wei Qianjiang, being all the independent non-executive Directors, to be formed for the purpose of advising the Offer Shareholders in respect of the Offer
“Independent Financial Adviser”	Shinco Capital Limited, a corporation licensed by the SFC to conduct on Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the terms of the Offer and as to their acceptance
“Last Trading Day”	22 November 2018, being the last trading day immediately prior to the suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 December 2018, or such later date as the parties may agree in writing

“MOU”	the memorandum of understanding dated 6 November 2018 and entered into among the Vendors and the Offeror in relation to the potential acquisition of 737,000,000 Shares
“Offer”	the mandatory unconditional cash offer to be made by RaffAello Securities, on behalf of the Offeror, to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it subject to the conditions summarised in this joint announcement and in accordance with the Takeovers Code
“Offer Shares”	any of the 663,000,000 Shares that are subject to the Offer
“Offer Shareholder(s)” or “Independent Shareholder(s)”	holder(s) of Share(s), other than the Offeror and parties acting in concert with it. For the avoidance of doubt, Offer Shareholders include any member of the CISIC group acting in its capacity as a registered owner of Shares held on behalf of a beneficial owner where the beneficial owner (i) controls the voting rights attaching to those Shares; (ii) if Shares are voted, gives instructions as to how those Shares are to be voted; and (iii) is not the Offeror or a parties acting in concert with the Offeror
“Offeror”	Star Merit Global Limited (星優環球有限公司), a company incorporated in BVI with limited liability, being the purchaser under the Share Purchase Agreement. Mr. Chen Zhi is the sole ultimate beneficial shareholder of the Offeror
“Overseas Shareholders”	Shareholder(s) whose address(es), as shown on the register of members of the Company is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RaffAello Capital”	RaffAello Capital Limited, a licensed corporation to carry on type 6 (advising on corporate finance) regulated activities under the SFO, one of the joint financial advisers to the Offeror
“RaffAello Securities”	RaffAello Securities (HK) Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO

“Sale Shares 1”	714,000,000 Shares agreed to be sold by the Vendor 1 and agreed to be acquired by the Offeror pursuant to the terms and conditions of the Share Purchase Agreement, representing approximately 51% of the entire issued share capital of the Company as at the date of this joint announcement
“Sale Shares 2”	23,000,000 Shares agreed to be sold by the Vendor 2 and agreed to be acquired by the Offeror pursuant to the terms and conditions of the Share Purchase Agreement, representing approximately 1.64% of the entire issued share capital of the Company as at the date of this joint announcement
“Sale Shares”	collectively, means Sale Shares 1 and Sale Shares 2
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Share Purchase Agreement”	the conditional agreement for the sale and purchase of Shares dated 22 November 2018 and entered into among the Vendors, the Guarantor and the Offeror in relation to the sale and purchase of the Sale Shares
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers

“Vendor 1”	Flourish Team Limited, a company incorporated in BVI with liability limited by shares, is owned as to 49% by Mr. Yau Kin Wing Sino, an executive Director and the chairman of the Board, 49% by the late Mr. Cheung Ting Kam, and 2% by Mr. Kung Ho Man, an executive Director and chief executive officer of the Company, and holds 714,000,000 Shares, representing approximately 51% of the existing issued share capital of the Company as at the date of this joint announcement
	Mr. Cheung Ting Kam passed away on 21 January 2018. A grant of administration in relation to the estate of Mr. Cheung Ting Kam in BVI (including his interests in Vendor 1) was granted by the High Court of Justice of BVI on 19 November 2018 and Ms. Tang Yim Ling, the spouse of Mr. Cheung Ting Kam, was appointed as administrator
“Vendor 2”	Double Wink Limited, a company incorporated in BVI with liability limited by shares, is wholly owned by Ms. Tang Ka Wa Danise, an executive Director, and holds 23,000,000 Shares, representing approximately 1.64% of the existing issued share capital of the Company as at the date of this joint announcement
“Vendors”	collectively, Vendor 1 and Vendor 2 and “Vendor” shall mean any one of them
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of director of
Star Merit Global Limited
Chen Zhi
Sole director

By order of the Board of
Geotech Holdings Ltd.
Yau Kin Wing Sino
Chairman

Hong Kong, 29 November 2018

As at the date of this joint announcement, Mr. Chen Zhi is the sole director of the Offeror. As the sole director of the Offeror, Mr. Chen Zhi accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Vendors and the Group) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than that expressed by the Vendors, the Directors and the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement, other than that relating to the Offeror and parties acting in concert with it, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises Mr. Yau Kin Wing Sino, Mr. Kung Ho Man and Ms. Tang Ka Wa Danise as executive Directors, and Mr. Fung Chi Kin, Mr. Cheung Wai Lun Jacky, Mr. Chow Chun To and Mr. Wei Qianjiang as independent non-executive Directors.